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3) Prime Minister's Official Residence (Kantei)

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Prime Minister's schedule, January 24

NIKKEI (Page 2) (Full)  
January 25, 2009

10:00

Took a walk around his official residence.

12:57

Arrived at his private office in Nagatacho.

14:16

Returned to his private residence in Kamiyamacho.

15:13

Visited Fuji Glasses in Otemachi.

15:53

Did some shopping at Wako Main Building, Wako Watch Salon, and Wako Namiki Building in Ginza.

16:34

Returned to his official residence.

17:30

Received a telephone call from Russian President Medvedev.

19:00

Met Toyohisa Asada of his support association, wife Chikako, and others.

Prime Minister's schedule, January 25

NIKKEI (Page 2) (Full)

January 26, 2009

06:16

Departed from JR Tokyo Station on Nozomi No. 3.

08:28

Arrived at JR Kyoto Station.

09:03

Met past Junior Chamber International Japan presidents and others at the Kyoto International Conference Center. Afterward attended a JCI New Year ceremony with Deputy Chief Cabinet Secretary Konoike.

11:22

Dined at a Japanese restaurant in the city with past JCI presidents.

13:53

Met LDP Kyoto chapter secretary general Setsuko Tanaka and others at JR Kyoto Station.

14:22

Departed from the station on Nozomi No. 24.

16:33

Arrived at JR Tokyo Station.

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17:07

Watched Sumo bouts at the Kokugikan Hall. Handed an award of merit and the Prime Minister's Cup to Grand Champion Asashoryu.

18:20

Met Deputy Chief Cabinet Secretary Konoike at his official residence.

19:30

Dined at a Japanese restaurant in Kita-aoyama with his support association members.

22:00

Returned to his official residence.

4) Nye picked as U.S. ambassador to Japan

YOMIURI (Page 1) (Full)

January 25, 2009

By Satoshi Ogawa in Washington

Harvard University Professor Joseph Nye, a former assistant secretary of defense, was informally designated as ambassador to Japan by the U.S. Obama administration. The formal decision is expected later this month.

Nye is known as an expert on Japan and was the coauthor with former Deputy Secretary of State Armitage of the "Armitage Report," which proposed a deepening of the Japan-U.S. alliance. He is an international affairs expert who has advocated the importance of "soft power," under which a country's culture and values come into diplomatic play. He has been highly praised for his practical experience as well, having served as deputy assistant secretary of state and assistant secretary of defense.

Recently, Nye has proposed that the Obama administration use "smart power," which is the wise mixing together of "hard power," as represented by military power, and "soft power." Smart power may become the diplomatic guideline for the Obama administration.

Instead of the ambassadorship, Nye at first was considered for selection to a high-level appointment to the State Department in charge of policy. Former Senator Chuck Hagel, the most likely candidate for ambassador to Japan, was sounded out for the post but turned it down, so the ambassadorship then went to Nye. According to an informed source, Nye is expected to arrive at post after mid-March, when the approval process by the Senate should be complete.

5) Appointment of Nye as ambassador to Japan sends message about importance attached to Japan, aimed at wiping away anxieties about U.S. tilting toward China

YOMIURI (Page 2) (Excerpt)

January 25, 2009

By Satoshi Ogawa in Washington

The selection of former Assistant Secretary of Defense Joseph Nye by the Obama administration to serve as ambassador to Japan reflects the importance it gives to the Japan-U.S. alliance. It also aims at

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erasing the anxiety that exists among some in Japan that under the Obama administration the Japan-U.S. relationship will weaken in

relative terms. While the Obama administration plans to maintain strong relations with Japan, it also aims to strengthen its dialogue and engagement with China, which now has major political and economic influence in the world. According to a source connected to U.S-Japan relations in the U.S. Democratic Party, since there was a possibility of distrust of U.S. on the Japanese side that the Obama administration would tilt toward China, "It was important to send a message about the importance of the bilateral alliance by appointing the right person."

6) Russel, Japan expert, becomes NSC director

YOMIURI (Page 2) (Slightly abridged)  
Evening, January 24, 2009

Satoshi Ogawa, Washington

Daniel Russel, director for Japanese affairs at the U.S. Department of State, has been appointed as White House National Security Council director for Japan and South Korea. He is also in charge of the six-party talks on North Korea's nuclear program.

Russel, a Japan hand, who has the experience of working in Japan for a long time, served as consul general at the Osaka-Kobe Consulate General until last summer. During his assignment in Seoul from 1992 to 1995, he took part in negotiations for the Agreed Framework between the United States and North Korea.

A source related to bilateral relations analyzes Russel's appointment, saying his assignment was meant to demonstrate unity among Japan, the United States and South Korea, as well as prevent policy schism on North Korea between Tokyo and Washington, which occurred last October when the U.S. delisted North Korea as a state sponsor of terrorism.

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7) DPJ accelerating diplomatic activities, with other countries expecting change of government in Japan

TOKYO SHIMBUN (Page 2) (Excerpts)  
January 25, 2009

The Democratic Party of Japan (DPJ) has accelerated its diplomatic activities to ready itself for assuming political power in the next House of Representatives election. Senior party members have begun to move forward to develop a relationship with the U.S. Obama administration in particular. But President Ichiro Ozawa alone has drawn a line with other party members.

DPJ diplomacy has moved into high gear since early this year. Tadashi Inuzuka, vice foreign minister in the shadow cabinet, held a press conference after returning home from Afghanistan, in which he underscored the party's determination to make efforts to end armed conflict in that country. Secretary General Yukio Hatoyama and other senior members met with the ambassadors to Japan of both sides to discuss the situation in the Gaza Strip, which was attacked by Israel.

A senior DPJ member said: "The party has received a considerable

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number of requests for meetings with its members from diplomatic officials of various countries." This remark indicates that many countries are hoping to meet DPJ members in anticipation of a change of government in Japan.

In an effort to establish a firm relationship with the U.S., to which the main opposition party gives priority in its foreign policy, the party has made key contacts in U.S. political circles since last December, ahead of Barack Obama's assumption of office as president.

Vice President Katsuya Okada visited Washington and New York to meet with people in the political world. Later, Deputy President Naoto Kan, Hatoyama, Okada, and Vice President Seiji Maehara, all of whom

once served as party president, met former Assistant Secretary of Defense Joseph Nye, whose assumption of the ambassadorship in Japan has been unofficially decided, and others in Tokyo. They exchanged views on policy toward Afghanistan and other issues. The DPJ is planning to send its members to the U.S. possibly in February.

Recent diplomatic activities by the DPJ

Date Lawmakers Content

Early December Okada Visited the U.S.

Dec. 19 Kan and others Met Joseph Nye and others.

Dec. 19-Jan. 4 Inuzuka Visited Afghanistan and other countries and met with leading figures in political circles, those related to the Taliban, and members of the U.S. military.

Jan. 14 Hatoyama Met the speaker of the Russian Federal Council.

Same day Yoshio Hachiro (foreign minister in the shadow cabinet) Met Palestinian ambassador to Japan.

Jan. 15 Hatoyama Met the Central Foreign Affairs Committee chair of the Vietnamese Communist Party.

Jan. 19 Hatoyama Met the Israeli ambassador to Japan.

Jan. 20 Hachiro Same as above.

8) Defense minister reluctant about sending MSDF to Somalia on anti-piracy mission; New law to be enacted later

TOKYO SHIMBUN (Page 2) (Full)

January 25, 2009

Defense Minister Yasukazu Hamada is expected to order this month the Maritime Self-Defense Force to prepare for dispatching its destroyers on an anti-piracy mission in waters off Somalia, Africa. The order will be based on a maritime policing provision of the SDF Law. Although Hamada had been reluctant to dispatch the MSDF under this provision, he has been steamrollered by Prime Minister Aso and the Foreign Ministry.

On Jan. 23, Hamada reported to the prime minister the challenges associated with the envisioned maritime policing operation. In a press conference that followed, Hamada suggested that he was reluctant to dispatch the MSDF, saying: "What is lacking must be considered. We cannot afford to do nothing about such."

Maritime policing is based on an intrusion into waters near Japan and other events. Even if a foreign vessel irrelevant to Japan is attacked by pirates, the MSDF cannot deal with the situation.

Further, the use of arms is limited to legitimate self-defense in response to an attack by pirates and emergency evacuation. Depending

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on circumstances, responsibility of SDF personnel might be questioned for their use of weapons.

Hamada, a defense policy specialist knowledgeable of such problems, wanted to avoid sending the MSDF under the maritime policing clause. He has now determined to seek the enactment of a new law authorizing such operations.

Hamada remained reluctant about the dispatch even after the government largely tilted toward the maritime policing operation and the prime minister ordered him to consider the dispatch. It was because Even though Hamada realized issuing an order for maritime policing activities was unavoidable as a stopgap measure, he felt there was a need to ensure a new law for the future.

In consideration of Hamada's wishes, the ruling bloc will conduct discussions for submitting a bill on new legislation to the Diet in early March. Whether the discussions will advance smoothly in the ruling camp is unclear.

9) DPJ remains rudderless on Somalia anti-piracy mission in consideration of joining efforts with other opposition parties; Views in party still divided

SANKEI (Page 3) (Abridged slightly)

January 26, 2009

Kito Harakawa

The government has now decided to dispatch Maritime Self-Defense Force destroyers on an anti-piracy mission in waters off Somalia, Africa. But the major opposition Democratic Party of Japan's stance remains undecided. That is because views in the party have yet to be consolidated and also because there is strong opposition to the MSDF dispatch in the Social Democratic Party and in the People's New Party, with which the DPJ envisages to launch a coalition administration after taking power.

In the wake of formal endorsement of the MSDF's Somalia mission by the Liberal Democratic Party and its coalition partner New Komeito, Prime Minister Taro Aso will order before long Defense Minister Yasukazu Hamada to prepare for the dispatch. The defense minister will then order the MSDF to prepare for the dispatch and the destroyers are expected to be dispatched in March.

Meanwhile, such opposition parties as the SDP and PNP, in addition to the Japanese Communist Party, are opposing the MSDF mission, saying, "Primarily, the matter must be dealt with by the Japan Coast Guard." On Jan. 23, the secretaries general of the two parties urged DPJ Secretary General Yukio Hatoyama to jointly oppose the government's decision. Putting high priority on joining efforts with them, Hatoyama said: "We will try hard to act in concert with you as much as possible."

But acting out Hatoyama's words seems difficult. Encompassing a wide range of views from conservatism to liberalism, consolidating them into a single official DPJ view will be difficult.

Ironically enough, the question of dispatching the MSDF was triggered by a question at the Die by a DPJ lawmaker. In a Lower House Anti-piracy Special Committee meeting on October 17, 2008, the DPJ's Akihisa Nagashima elicited from the government the response

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that it would be difficult for Japan Coast Guard patrol boats to deal with pirates in waters off Somalia. Nagashima went on proposing, "Escorts by the MSDF would be effective in dealing with piracy."

The prime minister openly welcomed Nagashima's proposal, saying, "I highly appreciate your idea."

But anti-piracy discussions in the DPJ have since made little progress, and the party has been just watching responses by the government and the ruling bloc on the sidelines.

10) Japan, S. Korea agreed to cooperate on antipiracy measures

TOKYO SHIMBUN (Page 3) (Full)  
January 26, 2009

It became known yesterday that Prime Minister Taro Aso and South Korean President Lee Myung Bak had agreed during a meeting in Seoul on Jan. 12 to cooperate on measures to cope with serious damage from pirates in waters off Somalia. Japan and South Korea will send naval vessels there in March. Specifically, the two countries are considering such measures as escorting each other's commercial ships at their respective requests and sharing information about commercial ships at sea. In addition, Japan will provide South Korea with information about measures taken against pirates in the Straits of Malacca where Japan has been cooperating with neighboring countries.

Tokyo and Seoul are currently coordinating to hold a meeting of Foreign Minister Nakasone and Foreign Affairs and Trade Minister Yu Myung Hwan on Feb. 11. On that occasion, they are expected to discuss antipiracy cooperation.

The Maritime Self-Defense Force will be ordered to send destroyers for maritime security operations under the Self-Defense Forces Law. MSDF destroyers are to escort Japanese ships and Japanese-chartered freighters. In many cases, Japanese exports are transshipped to

South Korean freighters at Pusan, South Korea, for lower costs. Accordingly, many South Korean freighters are expected to be under protection.

However, a senior official of the Defense Ministry says, "We don't know which ship is carrying which country's cargoes." As it stands, information sharing is needed immediately.

The MSDF has constraints on its escort of ships and its use of weapons. Accordingly, MSDF destroyers cannot act in concert with South Korean naval vessels. The MSDF is therefore not expected to form a fleet with South Korean naval vessels to convoy.

11) Russian president proposes Japan-Russia summit next month

TOKYO SHIMBUN (Page 1) (Full)  
January 25, 2009

Prime Minister Taro Aso held a teleconference with Russian President Dmitry Medvedev last evening, in which Medvedev expressed his intention to invite Aso to a ceremony to be held on the Sakhalin Island on Feb. 18 to commemorate the start of exports of liquefied natural gas (LNG) to Japan. He then proposed holding a Japan-Russia summit, saying: "I would like to discuss all bilateral pending

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issues with you." Aso replied: "I will make a reply after consideration." The prime minister will make a decision after giving consideration to schedules for Diet deliberations and diplomatic events.

The teleconference was held at the request of the Russian government. The president said that Russia has highly evaluated Japan's contributions to the Sakhalin-2 project to exploit oil and natural gas off Sakhalin. Aso replied: "The Sakhalin-2 project is based on typical reciprocal cooperation between Japan and Russia. The start of LNG production will mark a symbolic step for relations between the two countries."

Aso and Medvedev met in Lima, Peru, last November for the first time and agreed on more exchanges between them. The governments of Japan and Russia are also making coordination to bring about an early visit to Japan by Prime Minister Putin.

12) Poll: Aso cabinet's support rate down to 19 PERCENT

NIKKEI (Page 1) (Full)  
January 26, 2009

The rate of public support for Prime Minister Taro Aso's cabinet fell 2 points from December last year to 19 PERCENT, the Nihon Keizai Shimbun found from its joint public opinion survey conducted with TV Tokyo on Jan. 23-25. The support rate fell below 20 PERCENT for the first time since February 2001 when the Mori cabinet was at its last stage. The nonsupport rate rose 3 points to 76 PERCENT. The support rate for the ruling Liberal Democratic Party dropped 6 points to 29 PERCENT. Meanwhile, the support rate for the leading opposition Democratic Party of Japan (Minshuto) rose 4 points to 37 PERCENT, outstripping the LDP for the first time in eight months since May last year.

In the breakdown of reasons (multiple-choice answers) for supporting the cabinet, "because it's an LDP cabinet" accounted for 43 PERCENT, and "he is trustworthy" was at 26 PERCENT. Among those who do not support the cabinet, "he lacks leadership" accounted for 51 PERCENT, followed by "its policies are bad" at 49 PERCENT and "it's unstable" at 42 PERCENT.

The government and the ruling parties will make it possible to raise the consumption tax in fiscal 2011, premised on an economic turnaround. In the survey, respondents were asked if they would support this plan. To this question, 24 PERCENT answered "yes," with 67 PERCENT said "no." Even among LDP supporters, "yes" accounted for only 41 PERCENT, with "no" at 48 PERCENT. Among DPJ supporters, "yes" accounted for 16 PERCENT, with "no" reaching 80 PERCENT. Among those with no particular party affiliation, "yes"

accounted for 13 PERCENT , with "no" at 77 PERCENT .

When asked about the government's cash handout plan in its additional package of economic stimulus measures, negative answers totaled 67 PERCENT , with affirmative answers at 22 PERCENT . Among those unaffiliated, "yes" was at 13 PERCENT , with "no" reaching 70 PERCENT .

Meanwhile, the government is planning to send the Maritime Self-Defense Force for maritime security operations against pirates in waters off the eastern African coast of Somalia. Asked about this planned MSDF dispatch, 40 PERCENT answered that the MSDF should be

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dispatched after a new law is created for antipiracy measures, with 27 PERCENT saying the MSDF should not be sent. Only 22 PERCENT supported the government's plan to send the MSDF under the current law.

The survey was taken by Nikkei Research Inc. by telephone on a random digit dialing (RDD) basis. For the survey, samples were chosen from among men and women aged 20 and over across the nation. A total of 1,516 households with one or more eligible voters were sampled, and answers were obtained from 931 persons (61.4 PERCENT ).

13) Poll: Cabinet nonsupport rises to 65 PERCENT , support down to 19 PERCENT

MAINICHI (Page 1) (Abridged)  
January 26, 2009

The Mainichi Shimbun conducted a telephone-based public opinion survey across the nation on Jan. 24-25. The public approval rating for the Aso cabinet dropped 2 points from December last year to 19 PERCENT . The disapproval rating rose 7 points to 65 PERCENT , the second worst since 1949 when the survey started to ask this question. The poll also shows severe figures for the Aso cabinet's policy measures. Prime Minister Taro Aso will likely have to continue walking a political tightrope.

The highest disapproval rating in the past was 75 PERCENT for the cabinet of Prime Minister Yoshiro Mori in February 2001. About two months later, the Mori cabinet stepped down. The 65 PERCENT disapproval rating for the Aso cabinet is the second highest level, as well as for the cabinet of Prime Minister Shinzo Abe. About one and a half month later, the Abe cabinet also stepped down. Meanwhile, the 19 PERCENT approval rating is the second lowest level among the cabinets of Prime Minister Junichiro Koizumi and his successors, following 18 PERCENT for the cabinet of Prime Minister Yasuo Fukuda in May last year.

Among those who support the ruling Liberal Democratic Party, the Aso cabinet's approval rating was 52 PERCENT , with its disapproval rating at 31 PERCENT . Among those who support the New Komeito, the LDP's coalition partner, the support rate was 42 PERCENT and the nonsupport rate at 32 PERCENT . Among floating voters with no particular party affiliation, the support rate was 12 PERCENT , with the nonsupport rate reaching 66 PERCENT .

14) Second supplementary budget to be adopted on the 26th: DPJ to avoid total confrontation out of concern about drawing public criticism over stalled Diet session; Ruling camp to press ahead with passage of budget within current fiscal year

TOKYO SHIMBUN (Page 2) (Abridged Slightly)  
January 24, 2009

The fiscal 2008 second extra budget is now likely to obtain Diet approval on January 26. This is because the Democratic Party of Japan (DPJ), which has been refusing to hold a vote on the bill in the Upper House at an early date, has accepted to do so in order to avoid a total confrontation with the ruling parties. For Prime Minister Taro Aso, this is one step forward to the enactment of the fiscal 2009 budget.

Referring to his party's approval to hold a vote on the second extra budget, DPJ Secretary General Yukio Hatoyama during a press conference on the 23rd noted, "At least, it is necessary to give consideration so that forcible parallel Diet deliberations can be avoided."

The DPJ has thus far fiercely criticized entering into deliberations on the fiscal 2009 budget in the Lower House, while the second supplementary budget is still being deliberated in the Upper House -- parallel deliberations, calling it a sacrilegious act against the Diet and a slighting of the Upper House.

A meeting between the DPJ and the People's New Party (PNP) was held at noon the same day. Deputy DPJ President Naoto Kan and participants from the PNP during the meeting called for do-or-die resistance, saying that they want to see deliberations on the second extra budget extended until the end of next week.

However, the DPJ at its staff meeting decided to hold a vote in the Upper House, turning down their opinions, because it was concerned about an impact of a case in which it continues to reject holding a vote and the ruling camp enters into parallel deliberations. Should that occur, the DPJ would have to take a hard-line stance, including boycotting deliberations, inevitably bringing about a total confrontation between the two camps. Amid the economic and employment situations becoming even more serious, the party wanted to avoid the party from coming under fire, as Hatoyama said, "I wonder whether people will understand a situation in which the Diet comes to a standstill."

This, however, does not mean that the DPJ has retracted its demand for the withdrawal of the flat-sum cash handout scheme. It is now exploring an opportunity to make a counterattack with a timetable for a vote on budget-related bills, which will serve as the basis for securing funding resources for cash handouts, as a bargaining chip.

In the meantime, following the prospect that a total confrontation between the ruling and opposition parties over parallel deliberations on two budget bills will be avoided, the government and the ruling parties are now envisaging a timetable of four government speeches, including Prime Minister Aso's policy speech for the 27th and interpellations in plenary sessions of both Houses by February 2, followed by actual deliberations on the fiscal 2009 budget at the Lower House Budget Committee.

15) Yoshimura wins Yamagata gubernatorial race, first female governor in Tohoku region

YOMIURI (Page 26) (Abridged slightly)  
January 26, 2009

Mieko Yoshimura, 57, a new-face candidate, won in Sunday's Yamagata gubernatorial election, becoming the first woman governor in the Tohoku region. In her office in Yamagata City, there were female supporters wearing a badge with the words "Change! Yamagata." The word "Change" was modeled after U.S. President Barack Obama's campaign slogan. They were excited about Yoshimura's victory, with one supporter saying: "I never dreamed that we would have a female governor in Tohoku."

Receiving a report at around 10:30 p.m. that her victory was sure,

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supporters gave glad cries. Yoshimura said: "Yamagata residents made an epochal choice. I really felt that they were calling for people-friendly prefectoral politics."

Yoshimura once worked at Recruit Co. After giving birth to her first baby girl at the age of 26, she moved to her husband home in Yamagata City. Her husband, who was a lawyer, died of illness 12 years ago. Taking advantage of her license of administrative

scrivener, she raised a daughter, who is now 31, and a son, 25. She lives with her parents-in-law.

She decided to run in the election after being persuaded by officials of Rengo (Japan Trade Union Confederation) Yamagata, which had picked her after seeing her working as a volunteer at a sports event for the disabled.

In addition to her lack of publicity, she filed her candidacy only about 40 days before the start of official campaigning. On Jan 17, she played up her policy before a gathering of about 800 women in Yamagata City.

16) DPJ candidate's victory in Yamagata Gubernatorial race great shock to LDP

TOKYO SHIMBUN (Page 2) (Full)  
January 26, 2009

A defeat of its candidate in the Yamagata gubernatorial race is a great shock to the ruling Liberal Democratic Party (LDP), causing concern about the next general election for the House of Representatives.

Three LDP Lower House members representing Yamagata Prefecture, including former LDP Secretary General Koichi Kato, and most prefectoral assembly members had supported Hiroshi Saito, the incumbent governor, who was defeated in yesterday's election.

The prevailing view is that the reason for Saito failing to defeat Mieko Yoshimura, the new-face candidate on the ticket of the main opposition Democratic Party of Japan (DPJ), is the effectiveness of her criticism of the Aso administration during the last stage of her campaigning. Yoshimura was ready to delay her candidacy, realizing she was a low-profile candidate. Saito initially had the advantage in the election campaign. However, the public's criticism of Prime Minister Taro Aso adversely affected Saito. In the last stage of the campaign, DPJ President Ichiro Ozawa came to Yamagata to back Yoshimura, and he stressed: "A change of government from Yamagata!" Ozawa's support was significant.

What is more of a shock to the LDP is that Yamagata, in which all three LDP candidates won single-seat constituency races in the 2005 Lower House election, is a stronghold for conservatives.

The defeat of Saito shows the clear trend of voters abandoning the LDP even in areas with a strong conservative history. In case a Lower House election is conducted at present, the LDP will definitely have an uphill battle in the race. Although it was just a gubernatorial election, the outcome of the election is a great setback to Aso and the LDP.

Meanwhile, the DPJ will gain strength with its candidate's victory in the gubernatorial race.

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Secretary General Yukio Hatoyama made this comment: "It is clear that national politics affected the election. It is the expression of Yamagata voters' desire for bringing about political change."

17) Government panel to consider four options for mid-term goal for greenhouse gas emissions cut: Reduction options range between 6 PERCENT increase and 25 PERCENT cut, compared with 1990 level

ASAHI (Top Play) (Abridged Slightly)  
January 24, 2009

A meeting of the government's Mid-Term Goal Review Committee, chaired by former Bank of Japan (BOJ) Governor Toshihiko Fukui, was held on January 23 to discuss how much Japan should reduce its greenhouse gas emissions by 2020. The panel indicated options centered on plans to cut such emissions ranging between a 6 PERCENT increase and a 25 PERCENT cut in comparison with the 1990 level, based on the estimates worked out by government-affiliated and other research institutes. Discussion focused on four options among

various proposals. The panel will work out the effect of such gas emissions under four options and draft a report on the results. The government is expected to set a mid-term goal in April or later. However, it appears difficult to choose one of the four options.

Setting a mid-term goal is the main focus of attention in talks on an international framework for measures to curb greenhouse gases to be applied in 2013, replacing the Kyoto Protocol. The government needs to come up with such a goal at the 15th session of the Conference of the Parties to the Climate Change Convention (COP15) to be held in December this year, with the aim of reaching an agreement on the post-Kyoto framework. In the meantime, domestic industries are alarmed about the government setting a mid-term goal the argument being that such a goal will lead to restrictions to economic activities. Among the four options, two are from the Long-Term Outlook for Energy Demand, which the Ministry of Economy, Trade and Industry (METI) issued in May last year. One is an effort continuation case, in which measures to cut greenhouse gas emissions, which the Japan Business Federation (Nippon Keidanren) has set on a voluntary basis, will be continued as is. In this case, emissions will increase 6 PERCENT in comparison with the 1990 level. The other is a maximum introduction case, in which energy-saving efforts will be expedited through the active dissemination of nuclear power generation and electric vehicles. In this case, emissions will decrease 4 PERCENT from the 1990 level.

The Intergovernmental Panel on Climate Change (IPCC) to consider global warming, based on science, has indicated a scenario that in order to minimize the impact of global warming, all industrialized countries need to cut their greenhouse gas emissions by 25 PERCENT to 40 PERCENT. Under the third option, it is assumed that industrialized countries as a whole cut greenhouse gas emissions by 25 PERCENT, based on the PICC scenario. The government has adopted this as one option, on the assumption that if each country is to shoulder an equal share in the cost needed to cut 1 ton of greenhouse gases, Japan's goal would be a 15 PERCENT cut, as its measures to cut such gasses are already ahead of other countries. Under this option, the U.S. goal would be 22 PERCENT and that of the European Union (EU) would be 28 PERCENT. If this option is adopted, a sense of unfairness felt by industry circles, which are opposing the idea of accepting a uniform reduction goal along with other countries, would be allayed. However, whether this plan can be

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accepted in international talks is unclear.

Under the fourth option, Japan should cut its greenhouse gas emissions by 25 PERCENT on its own.

The range of cuts indicated in those four options is the amount of greenhouse gas emissions to be cut domestically. In international talks aiming at COP15, carbon dioxide (CO<sub>2</sub>) absorbed by forests and CO<sub>2</sub> emissions credit to be purchased from abroad will also be taken into account. As such, the range of reductions that will become an international pledge could further as a result of the talks.

ZUMWALT